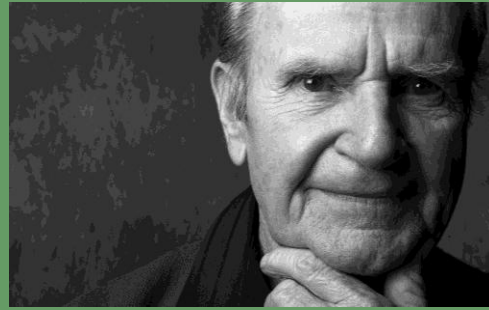


Nebraska Medicare Advantage Trends



Presented to the AARP Medicare Forum

November 30, 2007

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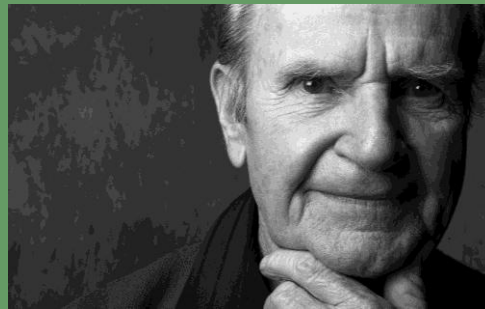
National Trends in Enrollment

- As of September, 2007: 8,316,229 beneficiaries in MA Plans; 18.9%
- An increase of 43% since December, 2005
- As of September, 2007: 845,445 rural beneficiaries in MA plans; 9.3%
- An increase of 230% since December, 2005



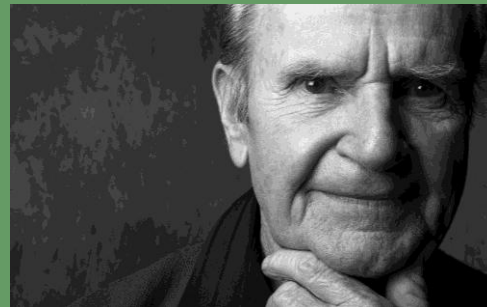
National Distribution by Type of Plan

- For all counties 66% is HMO/PPO, 19% PFFS
- For urban counties 71% is HMO/PPO, 15% PFFS
- For rural counties 25% is HMO/PPO, 19% PFFS
- Very little regional PPO; 2% national and urban, 5% rural



Distribution of PFFS Plan enrollment by location and payment rate

- 27% in counties at the rural “floor” (special payment set by statute)
- 61% in counties at urban “floor”
- 2% in rural counties below urban floor
- 10% in counties above the urban floor



Distribution of dollars spent on PFFS plans by location and payment

- Rural enrollees at rural floor: 25%
- Rural and urban below urban floor: 2%
- Urban enrollees at urban floor: 62%
- Rural and urban above urban floor: 11%



Top MA Contract by Percent of Medicare Beneficiaries Enrolled

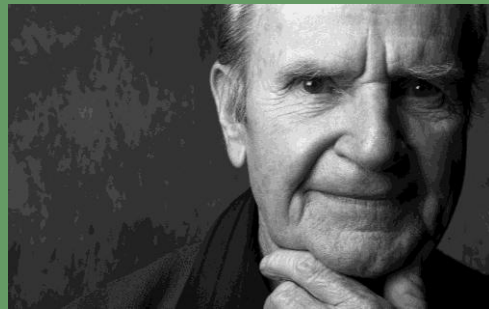
- Kaiser Foundation HP, Inc.
- Humana Insurance Co (PFFS)
- Pacificare of California/Secure Horizons
- Humana Medical Plan
- Keystone Health Plan West, Inc.
- Blue Cross Blue Shield of Michigan (PFFS)
- Pyramid Life Insurance Company (PFFS)
- Cumulative: 27%

Top MA Contracts by Percent of Enrollees, Rural Counties Only

- Humana Ins Co. (PFFS)
- Unicare Life and health Insurance Co (PFFS)
- Pyramid Life Ins Co (PFFS)
- First Health Life and health Insurance Co (PFFS)
- Blue Cross Blue Shield of Michigan (PFFS)
- Sterling Life Ins Co (PFFS)
- United Mine Workers of American (HCPP)
- Cumulative: 49%

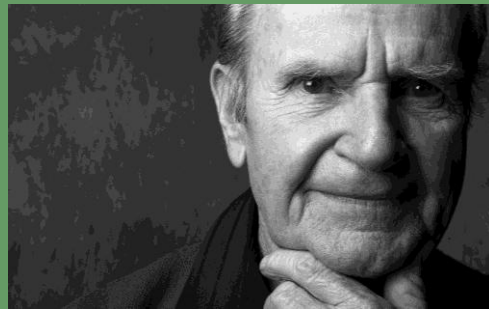
Medicare Advantage Plan Enrollment in Nebraska

- Total in September, 2007: 24,398
- Of all beneficiaries: 9.1%
- Within rural counties: 8,846
- Of all rural beneficiaries: 6.1%



Enrollment in PFFS Plans in Nebraska

- Total in September, 2007: 12,060
- Of all beneficiaries: 4.5%
- Within rural counties: 6,874
- Of all rural beneficiaries: 4.7%



Plans with most enrollment in Nebraska

• Humana Ins Co. (PFFS)	7,073
• United Health Care of the Midlands	4,619
• United Healthcare Ins Co	4,305
• Unicare Life and Health Ins Co (PFFS)	2,807
• Union Pacific RR Employees (HCPP)	1,878
• BC/BS Northern Plains Alliance (regional)	1,504

Plans with most rural enrollment in Nebraska

- Humana Ins Co (PFFS) 3,883
- Unicare Life and Health Ins Co (PFFS) 1,653
- Union Pacific RR Employees (HCPP) 1,017
- BC/BS Northern Plains Alliance (regional) 818
- First Health Life and Health Ins Co (PFFS) 669
- Pacificare Life and Health Ins (PFFS) 385

Questions to Ponder



- How do MA plans compare to traditional Medicare plus Medigap coverage in terms of benefits and costs (i.e., are the beneficiaries better or worse off)?
- How do MA PFFS plans compare to other MA plans in terms of benefits or programs designed to improve quality of care? Specifically do they offer such services as active care management?
- Are the reforms in the BBA and MMA achieving the goal of equitable access to benefits and plan choices that inspired these pieces of legislation?

More Questions to Ponder



- Given that there are concerns about the future health of the Medicare trust funds and strain on the general fund due to increases in Medicare commitments, how long can the MA program continue to pay plans at rates that are significantly higher than traditional Medicare, while also sustaining the growth in other traditional Medicare payments?
- Will targeted payment programs, including cost-based payment and bonus payments intended to assure access, be at risk if MA payments increase Medicare expenditures?
- Is the MA program the most cost-effective means of providing a more comprehensive package of benefits to Medicare beneficiaries?

Thank you!

For more information:

www.unmc.edu/publichealth/healthservices/

